

# SENATE BILL REPORT

## SB 5363

---

---

As Passed Senate, April 9, 2003

**Title:** An act relating to funding for the community economic revitalization board.

**Brief Description:** Providing an ongoing funding source for the community economic revitalization board's financial assistance programs.

**Sponsors:** Senators Hale, T. Sheldon, Fairley, Prentice, Doumit, West, Winsley, Rasmussen and Schmidt; by request of Governor Locke.

**Brief History:**

**Committee Activity:** Economic Development: 2/5/03, 2/7/03 [DP-WM].

Ways & Means: 3/4/03, 4/7/03 [DP].

Passed Senate: 4/9/03, 46-0.

---

### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT

**Majority Report:** Do pass and be referred to Committee on Ways & Means.

Signed by Senators T. Sheldon, Chair; Zarelli, Vice Chair; Benton, Hale, Kohl-Welles; Schmidt, B. Sheldon and Shin.

**Staff:** Jack Brummel (786-7428)

---

### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** Do pass.

Signed by Senators Rossi, Chair; Hewitt, Vice Chair; Zarelli, Vice Chair; Doumit, Fairley, Fraser, Hale, Johnson, Parlette, Regala, Sheahan, B. Sheldon and Winsley.

**Staff:** Kirstan Arestad (786-7708)

**Background:** The Community Economic Revitalization Board (CERB) was created in 1982 to provide funding for publicly owned economic development infrastructure. Through CERB, direct loans and grants are available to counties, cities, and special purpose districts for feasibility studies and for public improvements such as the acquisition, construction, or repair of water and sewer systems, bridges, railroad spurs, telecommunication systems, roads, structures, and port facilities. CERB funds are only made available if a specific private development or expansion is ready to occur and will occur only if the public improvements are made.

CERB financing had traditionally come from general funds but since 1995 has come from a variety of accounts. Legislation passed in 2002 provides that, beginning July 1, 2004, interest earnings on the CERB account (the Public Facilities Construction Loan Revolving Account) are to be retained in the account rather than in the general fund. This amounts to

approximately \$200,000. per year. The 2002 legislation also provides for the CERB account to receive for five years, starting in 2003, the repayment of principal and interest on loans from the Public Works Trust Fund's timber and rural natural resources impact area programs, up to \$4.5 million per year.

**Summary of Bill:** The interest earnings attributable to the Public Works Trust Fund's treasury account (the Public Works Assistance Account) is placed in the CERB account. This will amount to approximately \$900,000 per year.

**Appropriation:** None.

**Fiscal Note:** Requested on January 28, 2003.

**Effective Date:** July 1, 2005.

**Testimony For (Economic Development):** This will provide some predictability and permanent funding for economic development infrastructure. CERB has a proven track record and has returned more to the state than it has cost. The demand for infrastructure funding exceeds the supply and this will help meet that demand. Infrastructure is the critical foundation for economic development.

**Testimony Against (Economic Development):** None.

**Testified (Economic Development):** PRO: Martha Choe, CTED; Sheila Martin, Governor's Executive Policy Office; Heidi Pehl, Port of Chehalis; Scott Taylor, WA Public Ports Association; Rick Slunaker, Associated General Contractors; Ron Newbry, WA Econ. Development Assn.; Bryan Wahl, WA Association of Realtors.

**Testimony For (Ways & Means):** The CERB program helps attract businesses to Washington. This will provide some predictability and permanent funding for economic development infrastructure. CERB has a proven track record and has returned more to the state than it has cost. The demand for infrastructure funding exceeds the supply and this will help meet that demand. Infrastructure is the critical foundation for economic development.

**Testimony Against (Ways & Means):** None.

**Testified (Ways & Means):** PRO: Martha Choe, CTED; Sheila Martin, Governor's Executive Policy Office; Heidi Pehl, Port of Chehalis; Scott Taylor, WA Public Ports Association; Rick Slunaker, Associated General Contractors; Ron Newbry, WA Econ. Development Assn.; Bryan Wahl, WA Association of Realtors.